

Message Text

CONFIDENTIAL

PAGE 01 HONG K 07230 230936Z
ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 PM-04 NSC-05 SP-02 SS-15
CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06
PRS-01 EB-07 COME-00 FEAE-00 TRSE-00 /070 W
-----054873 231259Z /53

R 230810Z JUN 77
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 5403
INFO CINCPAC
AMEMBASSY MOSCOW
USLO PEKING
AMEMBASSY SINGAPORE
AMEMBASSY TAIPEI
AMEMBASSY TOKYO

C O N F I D E N T I A L HONG KONG 7230

NOFORN

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PINT, PROP, BTRA, CH, IT, US
SUBJ: CHINA HIGHLIGHTS, NO. 16

1. MESSAGE FOR LOCAL PRC PRESS: HEED GATES' WARNING
USING AMBASSADOR GATES' RECENT PRO-NORMALIZATION STATEMENTS AS
A STARTING POINT, A FRONT-PAGE COMMENTARY IN HONG KONG'S PRC-
CONTROLLED "NEW EVENING POST" JUNE 22 EXPRESSED ONCE AGAIN
CHINA'S IMPATIENCE OVER THE PACE OF NORMALIZATION. IT ACCUSED
SOME PEOPLE IN AMERICAN OF "DRAGGING CARTER AND VANCE'S FEET".
AND CHARACTERIZED GATES' REMARKS AS A "CLEAR WARNING" THAT
PEKING IS RUNNING OUT OF PATIENCE. THE COMMENTARY ALSO
REGISTERED ANNOYANCE WITH ADVOCATES OF THE "CHINAG CLIQUE" IN
THE U.S. FOR ESTABLISHING A SISTER-CITY RELATIONSHIP BETWEEN
PLAINS AND KAOHSIUNG AND DONATING \$25,000 TO PLAINS FOR AN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 HONG K 07230 230936Z

ORIENTAL GARDEN.

2. PEKING MEDIA HINTS AT LEADERSHIP PROBLEMS
RESORTING TO A FAVORITE POLITICAL TACTIC OF USING HISTORICAL
ANALOGY, TWO RECENT PEOPLE'S DAILY ARTICLES RELATED ATTEMPTS
TO SPLIT THE SOVIET PARTY AFTER THE DEATH OF LENIN AND
KHRUSHCHEV'S DENIGRATION OF STALIN TO ILLUSTRATE CURRENT PRC

CONCERNS. IN ONE ARTICLE, THE CALL FOR "COMPLETE PARTY UNITY", WHICH IS "MORE IMPORTANT AND MORE NECESSARY" AT THIS TIME AFTER THE DEATH OF MAO, SUGGESTS THAT PEKING STILL FACES INTERNAL SQUABBLING AT THE HIGHEST PARTY LEVELS. IN THE OTHER, PEKING'S ATTENTION TO THE RISE OF REVISIONISM AFTER THE DEATH OF STALIN SUGGESTS PEKING IS FURTHER EMPHASIZING THE NEED TO CONTINUE MAO'S POLITICAL LINE. WITH CHAIRMAN HUA ALREADY PERSONALLY COMMITTED TO STRICT ADHERENCE TO MAO'S LINE, THE NEW ARTICLES SUGGEST THAT OTHERS MAY BE OBJECTING TO CONTINUED GLORIFICATION OF MAOIST POLICIES AND PUTTING FORWARD THEIR OWN MORE PRAGMATIC PROGRAMS.

3. ANTI-GANG CAMPAIGN ACTIVITIES IN PROVINCES

THERE HAVE BEEN CONFLICTING SIGNS ABOUT THE STATE OF PROVINCIAL FOLLOW-THROUGH ON THE ANTI "GANG OF FOUR" CAMPAIGN, WITH SOME PROVINCIALS LEVELS REACHING AN APPARENTLY CONCLUDING PHASE -- WITH THE IDENTIFICATION AND CRITICISM OF A WIDE RANGE OF LEADERS -- AND OTHER PROVINCES BEGINNING TO BREAK THE FIRST GROUND. IN THE LATTER CATEGORY IS KANSU PROVINCE WHICH HAS JUST BEEN REORGANIZED AT CENTRAL DIRECTION. ON THE OTHER HAND, THE REGIME HAS ACKNOWLEDGED THE FUSHUN MUNICIPALITY AS A MODEL IN CRITICISM WORK AND STRESSED THAT THE CITY WAS SUCCESSFUL BECUASE IT SAW WHERE RESISTANCE TO THE CAMPAIGN STARTED AND THEN MOBILIZED EVERYONE TO GO AFTER THE CULPRITS. IN EACH CASE, THE ONE COMMON THREAD IS THE NEED FOR THOROUGH INVESTIGATION AND PURSUIT OF THOSE WHO HAVE FOLLOWED THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 HONG K 07230 230936Z

"GANG" AND FAILED TO REPENT. THERE IS LITTLE DOUBT THAT THE CAMPAIGN AT THE LOWER LEVELS WILL CONTINUE FOR SOME TIME TO COME.

4. ITALIAN PETROCHEMICAL DELEGATION VISIT TO PRC

A DELEGATION FROM THE ITALIAN PETROCHEMICAL CONGLOMERATE ENI IS IN A GOOD POSITION TO CONCLUDE SUBSTANTIAL NEW CONTRACTS TO SUPPLY TECHNOLOGY AND EQUIPMENT TO DEVELOP CHINA'S OIL RESOURCES AND ITS PETROCHEMICAL INDUSTRY. HAVING ENTERED THIS MARKET IN THE EARLY 60'S , ENI GROUP SUBSIDIARIES HAVE SOLD CHINA TWO COMPLETE OIL REFINERIES AND TWO PETROCHEMICAL PLANTS. LAST YEAR, THEY CONCLUDED A U.S. \$10 MILLION CONTRACT TO SUPPLY A PLANT AND TECHNOLOGY FOR THE MANUFACTURE OF CENTRIFUGAL COMPRESSORS, PROBABLY TO EQUIP CHINA'S NEWLY INSTALLED PETROLEUM PIPELINES. THE ENI DELEGATION ARRIVED IN PEKING JUNE 12 WITH ITALIAN FOREIGN MINISTER FORLANI, AND ARE NOW TOURING OIL FACILITIES IN THZEQH.

NZS VISIT

FOLLOWS CLOSELY ON A FEBRUARY STATEMENT BY THE CHINESE AMBASSADOR TO ITALY THAT CHINA IS INTERESTED IN EXPORTING CRUDE OIL TO ITALY IN EXCHANGE FOR PETROCHEMICAL PLANTS AND MACHINERY, AND POINTS UP THE ITALIANS' EAGERNESS TO

PRESERVE THEIR ENTRY INTO THE GROWING CHINESE MARKET FOR
ADVANCED PETROCHEMICAL TECHNOLOGY, A MARKET IN WHICH THEY
FACE HEIGHTENED AMERICAN AND JAPANESE COMPETITION.
SULLIVAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL SUMMARIES
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Jun-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HONGK07230
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770224-0792
Format: TEL
From: HONG KONG
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770628/aaaaaxrm.tel
Line Count: 120
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: be596078-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: NOFORN
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: NOFORN
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2059291
Secure: OPEN
Status: NATIVE
Subject: CHINA HIGHLIGHTS, NO. 16
TAGS: PINT, PROP, BTRA, CH, IT, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/be596078-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009